

## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 10

1200 Sixth Avenue, Suite 900 Seattle, Washington 98101-3140

Reply To April 20, 2010

Attn Of: OWW-130

Susan Childs Regulatory Affairs Manager, Alaska Shell Exploration & Production Company 3601 C Street, Suite 1000 Anchorage, Alaska 99503

RE: Coverage for Shell Exploration & Production Company under the National Pollutant Discharge Elimination System (NPDES) General Permit for Oil and Gas Exploration Activities on the Outer Continental Shelf and Contiguous State Waters for Discharges into the Beaufort Sea, Alaska (AKG-28-0005)

Dear Ms. Childs:

On May 7, 2009, the U.S. Environmental Protection Agency (EPA) received two Notices of Intent (NOIs) from Shell Exploration & Production Company (Shell) for authorization to discharge into the Beaufort Sea. Specifically, the NOIs requested permit coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit, AKG-28-0000 (Arctic GP), for wastewater discharges from Shell's proposed exploration activities planned for the 2010 Outer Continental Shelf (OCS) drilling season with the drillship *Frontier Discoverer*.

On November 5, 2009, EPA requested additional information from Shell to determine whether the requested discharges could be covered under the Arctic GP. EPA received the supplemental information on December 1, 2009.

Pursuant to Part I.D.3 of the Arctic GP, Shell is authorized the following discharges into the Beaufort Sea from the two proposed drill sites, Sivulliq (Lease Block 6658) and Torpedo (Lease Block 6610), subject to the terms and conditions of the Arctic GP:

<u>Discharge Number</u>	<u>Discharge Description</u>
001	<b>Drilling Fluids and Drilling Cuttings</b>
002	Deck Drainage
003	Sanitary Wastes
004	Domestic Wastes
005	<b>Desalination Unit Wastes</b>
006	Blowout Preventer Fluid
009	Non-contact Cooling Water
010	Uncontaminated Ballast Water
011	Bilge Water
012	Excess Cement Slurry
013	Muds, Cuttings, Cement at Seafloor

Please note the effluent limitations and monitoring requirements in Part II and the monitoring, recording and reporting requirements in Part III of the Arctic GP. Discharge Monitoring Reports must be submitted monthly by the 10<sup>th</sup> day of the following month.

The permit number assigned to this operation is AKG-28-0005. Please use this number in all future correspondence and reports. A copy of the Arctic GP is enclosed and is also available on EPA's webpage at <a href="http://epa.gov/r10earth/waterpermits.htm">http://epa.gov/r10earth/waterpermits.htm</a> under general permits. Facilities discharging under the authority of the Arctic GP must keep a copy of the permit and this coverage letter at the facility where the discharges occur, or retain a copy at the nearest administrative or field office managing the operation.

If you have any questions regarding this coverage letter or the Arctic GP, please do not hesitate to contact Hanh Shaw of my staff at <a href="mailto:shaw.hanh@epa.gov">shaw.hanh@epa.gov</a> or (206) 553-0171.

Sincerely,

[signed April 20, 2010]

Michael J. Lidgard, Manager NPDES Permits Unit

Enclosure